



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 09–5, Federal Employees’ Group Life Insurance (FEGLI) Program Continuation of Coverage for Active Uniformed Services Members

Date: March 18, 2009

To: Holders of Payroll/Personnel Manual

This bulletin is being issued to provide instructions to agencies for implementing Public Law 110–181, the Department Of Homeland Security Appropriations Act, enacted January 28, 2008. Section 1102 of the Act authorizes the continuation of Federal Employees’ Group Life Insurance (FEGLI) Program for up to 24 months for Federal employees called to active duty.

The new law allows employees who enter on active duty, or active duty for training in one of the uniformed services for more than 30 days, to continue their FEGLI enrollment for an additional 12 months, for a total of up to 24 months. Employees who elect the additional coverage must pay both the employee and agency shares of premiums for their Basic coverage, and pay the entire cost (there is no agency share) for any Optional insurance for the additional 12 months of coverage. The Office of Personnel Management’s (OPM), Benefits Administration Letter (BAL) Number 08–203, dated June 27, 2008, Federal Employees’ Group Life Insurance: Additional Continuation of Life Insurance Coverage for Federal Employees Called to Active Duty, provides detailed information covering this law and also provides a sample notice and election form for your agency’s use. Go to <http://www.opm.gov/retire/pubs/bals/2008/08–203.pdf> to view this information on OPM’s web site.

The agency is responsible for completing each step of the process identified below:

- Inform applicable employees of the benefit.
- Compute the cost of the employee and agency shares for the period of coverage by **each applicable pay period**. The employing agency is responsible for considering any changes in the employee’s salary; i.e., wage grade increase, pay adjustments, etc., that may affect FEGLI premiums when computing this cost. See [Attachment 1](#) for an example on calculating the collection.
- Collect payment for both the employee and agency shares from the employee for the extended coverage benefit.
- Prepare the Form AD–343, Payroll Action Request, providing the following information:

- For the National Finance Center’s (NFC) processing purposes, annotate “OPM, BAL 08–203” on the form.
- Employee’s FEGLI coverage code.
- Period of coverage.
- Breakdown of employee cost for Basic and Optional Insurance identifying **each applicable pay period.**
- Cost of agency premiums for Basic identifying **each applicable pay period.**
- Submit the Form AD–343, Payroll Action Request, and the employee’s payment check to NFC’s Administrative Billings and Collections (ABCO) Lockbox at the following address:

USDA, National Finance Center, Administrative Collections
P.O. Box 790342
St. Louis, MO 63179–0342

NOTE: Submissions should be made on a quarterly basis for each employee, and not more frequently than once a month.

- Monitor changes in the employee’s pay and/or status.
 - If the change in the pay requires additional payment(s) to the employee’s FEGLI account, agencies must prepare a **new** Form AD–343, Payroll Action Request, providing the following information:
 - For NFC’s processing purposes, annotate “OPM, BAL 08–203” on the form.
 - Employee’s FEGLI coverage code.
 - Period of additional coverage.
 - Breakdown of employee cost for Basic and Optional Insurance identifying **each additional applicable pay period.**
 - Cost of agency premiums for Basic identifying **each additional applicable pay period.**
 - Submit the Form AD–343, Payroll Action Request, with the employee’s check to ABCO’s Lockbox identified above.
 - If there is a change in status, e.g., the employee returns to duty earlier than originally scheduled and this requires a refund to the employee, agencies must notify NFC via the Special Payroll Processing System (SPPS). Since Payroll processes refunds and ABCO does not, it is imperative to notify NFC via SPPS.
 - The request in SPPS must provide the following information:
 - Reason for the refund: Overpayment of FEGLI premiums, active military duty, OPM, BAL 08–203.

- Amount to be refunded to the employee. See [Attachment 1](#) for an example on calculating the refund.
 - Specific premium amounts (Basic, Option A, Option B, Option C) by **each applicable pay period** requiring refund.
 - Employee's FEGLI coverage code.
- Monitor the request to ensure that all transactions are completed accurately and timely.
 - Respond to any inquiries from the employee regarding the status of their FEGLI coverage or funds paid.

For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative. Please refer questions about NFC processing to the Payroll/Personnel Call Center at 504-255-4630.

 for

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Attachment

Examples of Calculating for Collection and Refund

CALCULATION FOR COLLECTION

Employee has elected to continue their FEGLI coverage. Below is an example of a collection for two pay periods with Option 2 optional insurance elected. FEGLI coverage code of "W0".

	Employee Cost	Agency Cost	Total
Basic	\$ 11.55 x 2 PPs = \$ 23.10	\$ 5.78 x 2 PPs = \$ 11.56	\$ 34.66
Option 1	0.00	0.00	0.00
Option 2	\$105.00 x 2 PPs = \$210.00	0.00	\$210.00
Option 3	0.00	0.00	0.00
Total	\$233.10	\$ 11.56	\$244.66
Employee's obligation is \$244.66			

CALCULATION FOR REFUND

Employee returned to duty early. Below is an example of a refund for one pay period. FEGLI coverage code "W0".

	Employee Cost	Agency Cost	Total
Basic	\$ 11.55 x 1 PP = \$ 11.55	\$ 5.78 x 1 PP = \$ 5.78	\$ 17.33
Option 1	0.00	0.00	0.00
Option 2	\$105.00 x 1 PP = \$105.00	0.00	\$105.00
Option 3	0.00	0.00	0.00
Total	\$116.55	\$ 5.78	\$122.33
Refund due to employee is \$122.33			
(Previously paid for two pay periods: \$244.66 – \$122.33= \$122.33 difference)			